

Understanding Section 3

of the Housing and Urban Development Act
of 1968

and Section 504/ADA

of the Rehabilitation Act of
1973



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AGENDA

- ▶ Purpose of Section 3
 - Requirements and Responsibilities
 - Numerical Goals
 - Overcoming Obstacles
- ▶ Purpose of Section 504
 - Requirements and Responsibilities

Purpose of Section 3

- ▶ “To ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.”



“To the Greatest Extent Feasible”

What does this mean?

- ▶ Every effort made to comply with the regulatory requirements of Section 3.
- ▶ This may mean going a step beyond normal notification procedures for employment and contracting procedures by developing strategies that will specifically target Section 3 residents and businesses for these types of economic opportunities.

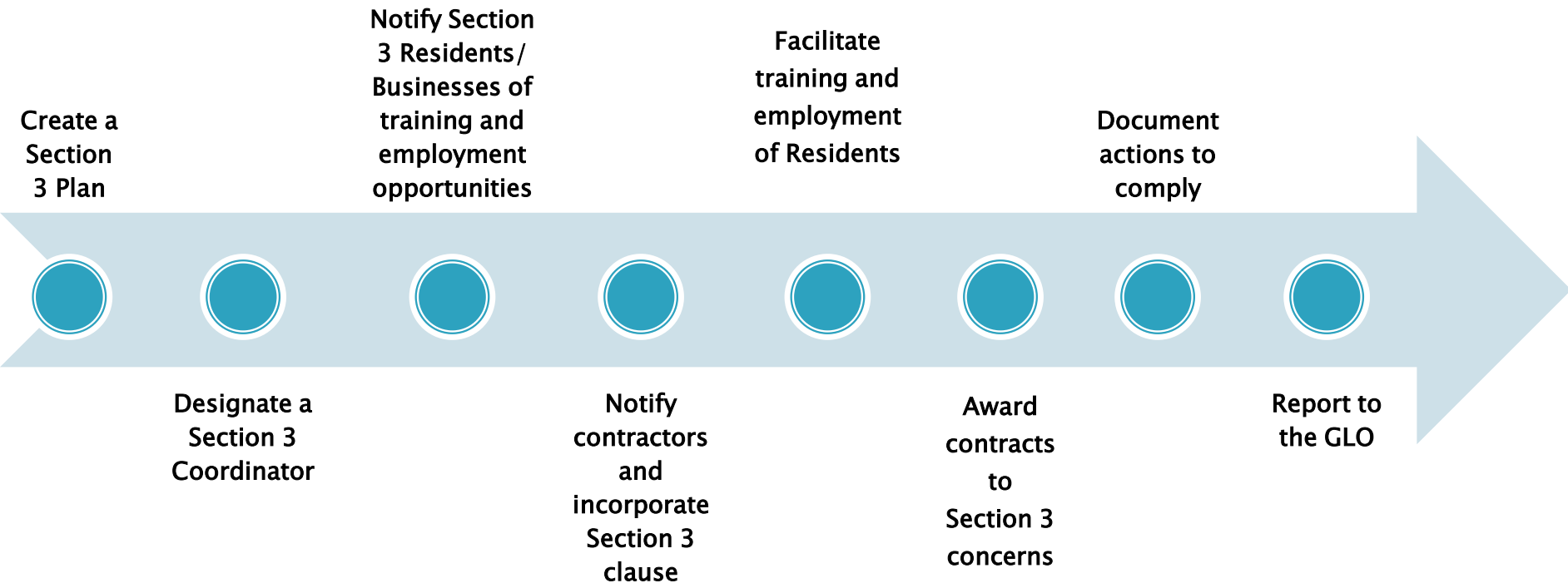


Applicability

- ▶ **Threshold:** \$200,000 for Grantees and Subrecipients
 \$100,000 for contractors and subcontractors
- ▶ Housing rehabilitation (including lead-based paint abatement)
- ▶ Housing Construction
- ▶ Demolition
- ▶ Other public construction



Recipient Responsibilities



Planning is Key



Definitions

▶ Section 3 Resident:

- Public Housing Resident, or
- Resident of metro area or non-metro county in which the Section 3 covered assistance is expended, and who qualifies as a low-income or very low-income person

▶ Section 3 Business Concern:

- 51% or more owned by Section 3 Residents, or
- 30% of employed staff are Section 3 Residents, or
- 25% of subcontracts committed to Section 3 Businesses



Contractor Certification of Efforts to Fully Comply Form

SECTION 3 PROGRAM **Contractor Certification of Efforts to Fully Comply with** **Employment and Training Provisions of Section 3**

The bidder represents and certifies as part of its bid/offer that it:

- ☐ Is a Section 3 Business concern. A Section 3 Business concern means a business concern:
 1. That is 51% or more owned by Section 3 Resident(s); or
 2. Whose permanent, full-time employees include persons, at least 30% of whom are currently Section 3 residents, or
 3. That provides evidence of a commitment to subcontract in excess of 255 of the dollar value of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs 1 or 2 herein.
- ☐ Is Not a Section 3 Business concern, but who has and will continue to seek compliance with Section 3 by certifying to the following efforts to be undertaken.

EFFORTS TO AWARD SUBCONTRACTOR TO SECTION 3 CONCERNS: **(Check ALL that apply.)**

- ☐ By contacting business assistance agencies, minority contractors associations and community organizations to inform them of the contracting opportunities and requesting their assistance in identifying Section 3 businesses which may solicit bids for a portion of the work.
- ☐ By advertising contracting opportunities by posting notices, which provide general information about the work to be contracted and where to obtain additional information, in the common areas of the applicable development(s) owned and managed by the Housing Authority.
- ☐ By providing written notice to all known Section 3 business concerns of contracting opportunities. This notice should be in sufficient time to allow the Section 3 business concerns to respond to bid invitations.
- ☐ By following up with Section 3 business concerns that have expressed interest in the contracting opportunities.
- ☐ By coordinating meetings at which Section business concerns could be informed of specific elements of the work for which subcontract bids are being sought.
- ☐ By conducting workshops on contracting procedures and specific contracting opportunities in a timely manner so that Section 3 business concerns can take advantage of contracting opportunities.



Sample Section 3 Business Certification

Recipients should capture a Section 3 Business Certification prior to contract award:

NAME OF BUSINESS _____
ADDRESS OF BUSINESS _____
CONTACT PERSON _____ TITLE _____
TELEPHONE #: (____) _____ CELL #: (____) _____

MUST PROVIDE EVIDENCE OF SECTION 3 STATUS PRIOR TO CONTRACT AWARD

The Bidder certifies that it is a Section 3 Business Concern based on:

- ___ Business is owned, at least 51%, by Section 3 Residents
 - Provide copy of resident lease, evidence of participation in a public assistance program, or signed Certification for Section 3 Resident
 - Provide business license number _____

- ___ At least 30% of their permanent, full-time employees are currently Section 3 Residents or were Section 3 Residents within the past 3 years
 - Provide list of full-time employees (Form 2)
 - Provide signed Certification for Section 3 Residents (Form 3)

- ___ Commitment to subcontract 25% of the dollar award to qualified Section 3 Business Concerns. (Only applicable for Prime Contractors)

I hereby certify that the information provided by me to be true and correct, and understand any falsification of any of the information could subject me to disqualification from participation and punishment under the law.

Owner Signature _____

Date _____

Witness Signature _____

Date _____

Print _____

Print _____



Minimum Numerical Goals

Employment

- 30% of new full-time hires annually (i.e. 1 out of 3 new hires)

Contracting

- 10% of total amount of all Section 3 covered contracts for building trades work;
- 3% of the total dollar amount to all other contracts, such as professional service contracts



Consequences of Non-Compliance

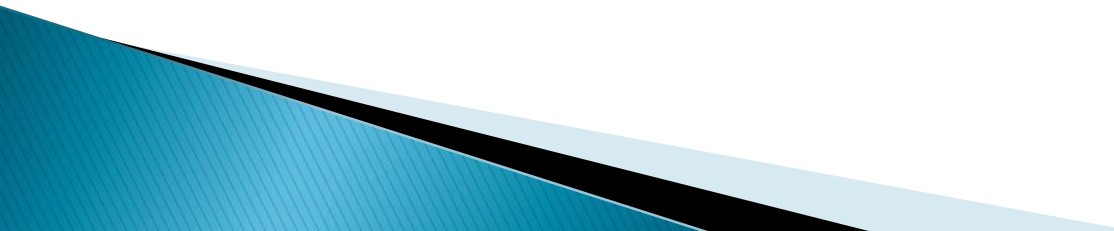
- ▶ Non-compliance with HUD's regulations in 24 CFR Part 135 may result in:
 - Sanctions,
 - Termination of contract for default,
 - Debarment, and
 - Suspension from future HUD contracts



Section 504/ADA



Purpose of Section 504/ADA

- ▶ Section 504/ADA is a Civil Rights statute that prohibits discrimination. Like the sister statutes of Title VI (race) and Title IX (gender), Section 504/ADA focuses on discrimination based solely on disability.
 - ▶ Section 504 of the Rehabilitation Act of 1973, Protects people with disabilities or handicaps from discrimination in programs and activities that receive Federal financial assistance.
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Section 504– who is protected?

- ▶ Individuals who have a physical/mental impairment that substantially limits one or more major life activities.



Right to Reasonable Accommodations

- ▶ It shall be unlawful for any person to refuse to make reasonable accommodations in rules, policies, practices, or services, when such accommodation may be necessary to afford a resident with disabilities equal opportunity to use and enjoy a dwelling unit or common areas.



Examples of Reasonable Modifications

- ▶ Accessible building entrance on an accessible route.
- ▶ Accessible common and public use areas.
- ▶ Usable doors (usable by a person in a wheelchair).
- ▶ Accessible route into and through the dwelling unit.
- ▶ Light switches, electrical outlets, thermostats and other environmental controls in accessible locations.
- ▶ Reinforced walls for grab bars.
- ▶ Usable kitchens and bathrooms.



Accommodations

- ▶ **Reasonable**

- Must be practical and feasible
- Not cause undue administrative or financial burden
- Not cause fundamental alteration in program

- ▶ **Necessary**

- Must be essential for the use/enjoyment of dwelling

- ▶ **Must meet definition of disability**

Section 504 Compliance

- ▶ Designate a Section 504 Coordinator.
- ▶ Adopt a grievance procedure.
- ▶ Notify all participants that they do not discriminate on the basis of disability.
- ▶ Publish required notices.
- ▶ Perform a self-evaluation.



Thank You – Q & A



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